

REVENUE DEPARTMENT[701]

Notice of Intended Action

**Proposing rule making related to excise tax rate on motor fuels
and providing an opportunity for public comment**

The Revenue Department hereby proposes to amend Chapter 68, “Motor Fuel and Undyed Special Fuel,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections 421.14 and 452A.59.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 452A.3.

Purpose and Summary

This proposed rule making amends subrule 68.2(1) to adjust the excise tax rate on biodiesel blended fuel rated B-11 or higher from 30.4¢ per gallon (ending June 30, 2022) to 30.1¢ per gallon (beginning July 1, 2022), pursuant to the formula prescribed by Iowa Code section 452A.3. The distribution percentage for biodiesel blended fuel rated B-11 or higher for calendar year 2021 is 57.75 percent, a decrease from the 2020 distribution percentage of 61.49 percent. As a result, pursuant to Iowa Code section 452A.3(3)“a”(2), in fiscal year 2023, the excise tax rate for biodiesel blended fuel rated B-11 or higher will decrease as noted above. Tax rates for all other fuel types will remain unchanged for fiscal year 2023.

Fiscal Impact

Under the excise tax rates applicable for fiscal year 2023, as proposed in this rule making and as required by statute, it is estimated that, accounting for refunds, collections will be \$142.43 million, resulting in a decrease of \$1.42 million in revenues.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on May 24, 2022. Comments should be directed to:

Tim Reilly
Department of Revenue
Hoover State Office Building
P.O. Box 10457
Des Moines, Iowa 50306
Phone: 515.782.0535
Email: tim.reilly@iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Amend subrule 68.2(1) as follows:

68.2(1) The following rates of tax apply to the use of fuel in operating motor vehicles and aircraft:

Gasoline	30.7¢ per gallon (for July 1, 2016, through June 30, 2017) 30.5¢ per gallon (for July 1, 2017, through June 30, 2018) 30.7¢ per gallon (for July 1, 2018, through June 30, 2019) 30.5¢ per gallon (for July 1, 2019, through June 30, 2020) 30¢ per gallon (beginning July 1, 2020)
Ethanol blended gasoline	29¢ per gallon (for July 1, 2016, through June 30, 2020)
Ethanol blended gasoline E-10 to E-14	30¢ per gallon (beginning July 1, 2020)
E-85 gasoline	29¢ per gallon (for July 1, 2016, through June 30, 2020)
Ethanol blended gasoline E-15 or higher	24¢ per gallon (beginning July 1, 2020)
Aviation gasoline	8¢ per gallon (beginning July 1, 1988)
Diesel fuel other than B-11 or higher	22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (beginning March 1, 2015)
Biodiesel blended fuel (B-11 or higher)	29.5¢ per gallon (for July 1, 2015, through June 30, 2020) 30.1¢ per gallon (for July 1, 2020, through June 30, 2021) 30.4¢ per gallon (<u>beginning for July 1, 2021, through June 30, 2022</u>) <u>30.1¢ per gallon (beginning July 1, 2022)</u>
Aviation jet fuel	3¢ per gallon (on and before February 28, 2015) 5¢ per gallon (beginning March 1, 2015)
L.P.G.	20¢ per gallon (on and before February 28, 2015) 30¢ per gallon (beginning March 1, 2015)
C.N.G.	16¢ per 100 cu. ft. (on and before June 30, 2014) 21¢ per gallon (for July 1, 2014, through February 28, 2015)

L.N.G.

31¢ per gallon (beginning March 1, 2015)

22.5¢ per gallon (on and before February 28, 2015)

32.5¢ per gallon (beginning March 1, 2015)